



Department of Justice

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ANTITRUST DIVISION RECOMMENDS ATTORNEY GENERAL APPROVAL OF DENVER NEWSPAPERS' JOA APPLICATION

Joint Newspaper Operating Arrangement Appropriate Under Newspaper Preservation Act

WASHINGTON, D.C. -- The Department of Justice Antitrust Division today issued a report to Stephen R. Colgate, Assistant Attorney General for Administration for the Department, recommending approval without a hearing of the application for a newspaper joint operating arrangement (JOA) made by the owners of The Denver Post and the Denver Rocky Mountain News.

If approved, the JOA will enable the two largest daily newspapers in the Denver metropolitan area to combine business operations with immunity from the antitrust laws, pursuant to the Newspaper Preservation Act of 1970 (NPA). The proposed arrangement provides for shared profits and joint production and operation of the two newspapers while maintaining independence of their respective news and editorial departments for a period of 50 years.

The NPA provides a limited exemption from liability under the federal antitrust laws for JOAs that receive prior written approval of the U.S. Attorney General. To grant approval of a JOA between two newspapers, the Attorney General must conclude that at least one of the newspapers is a "failing newspaper," and that approval of the JOA would successfully adhere to the policy and purpose of the NPA. Regulations implementing the NPA require the Antitrust

Division to submit a report to the Attorney General recommending approval, disapproval, or that a hearing be held to resolve any outstanding material issues of fact.

In its report, the Antitrust Division advises the Attorney General that the Denver Rocky Mountain News, within the meaning of the NPA, is in probable danger of financial failure and that the proposed Denver JOA adheres to the guidelines stated under the NPA. The report analyzes circulation and advertising trends in the Denver market, as well as the business decisions made by both applicants, that have led to the News' current financial status. In addition, the report addresses concerns expressed by the public during the 30-day public comment period. As a result of the analysis, the Antitrust Division recommends that the Attorney General approve the application.

The Denver Post is owned by Denver-based MediaNews Group Inc., the seventh largest newspaper company in the United States. Newspaper companies under the management of MediaNews include Affiliated Newspapers Investments Inc., a holding company that owns 60 percent of Denver Newspapers Inc. Denver Newspapers owns four daily and seven weekly newspapers published in Colorado, including the Post.

The Denver Rocky Mountain News is owned by the E. W. Scripps Company Inc., which is based in Cincinnati, Ohio. Scripps is the eighth largest newspaper publisher in the U.S.. Its largest newspapers operate in Colorado (the News in Denver and The Daily Camera in Boulder), Tennessee, Texas and California.

Because the Antitrust Division's report may contain confidential information, the Department has placed it temporarily under seal to allow the applicants to decide whether to apply for confidential treatment of portions of the report. Under the NPA, the Attorney General must allow 30 days for any person to submit a reply comment to the Antitrust Division's report

before making a decision on the pending application. The 30-day reply period will begin after the report has been made public. Persons wishing to submit written comments in reply to the Division's report should address them to Stephen R. Colgate, Assistant Attorney General for Administration, U.S. Department of Justice, 950 Pennsylvania Avenue, Room 1111, Washington, D.C. 20530. Any comments received will be placed in the public file as they are received.

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